

IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.) No. _____
)
RONNIE G. DESHON,)
)
 Defendant.)

PLEA AGREEMENT

The United States of America, the defendant Ronnie D. DeShon, and his attorney Kenneth C. Hensley, do hereby enter into the following plea agreement. There are no agreements or understandings other than those set forth herein.

1. Defendant agrees to enter a plea of guilty to a one-count Information charging a violation of Title 18, United States Code, Sections 666(a)(1)(A) (program fraud).

2. Defendant understands and hereby agrees that by signing this plea agreement he is admitting the criminal allegations set forth in the Information and is admitting that he is in fact guilty of program fraud.

3. The charges to which defendant is pleading guilty carries the following maximum statutory penalties: a term of imprisonment of not more than 10 years imprisonment and a fine of not more than \$250,000.00, a period of supervised release of not more than three years, and a \$100.00 mandatory special assessment. Restitution also may be ordered.

4. As the factual basis for the plea, defendant admits the following:

Defendant was the superintendent of the Pattonsburg, Missouri R-2 School District from July 1, 2000, through October 13, 2004. As such, he was an agent of the Pattonsburg, Missouri R-II School District within the meaning of Title 18, United States Code, Section 666(d)(1). Defendant's duties as superintendent of schools included insuring that Missouri Securities Investment Program (MOSIP) funds were transferred into the operating account at Bethany Trust Company which was maintained by the Pattonsburg, Missouri R-II School District; he also had sole authority to access MOSIP account information. Defendant maintained a bank account at the Northwest Missouri Regional Credit Union, Marysville, Missouri.

The Pattonsburg, Missouri R-II School District was a public school district in the State of Missouri. It received funding from the Missouri Securities Investment Program and maintained a bank account at Bethany Trust Company, Pattonsburg, Missouri, formerly Guaranty Bank.

MOSIP, located in Long Island, New York, was a funding mechanism for Missouri school districts. MOSIP received federal and state funding for school districts, then disbursed the funds to individual Missouri school districts, including the Pattonsburg School District. MOSIP funds were from federal and

state tax revenues. MOSIP transferred funds into the Pattonsburg School District's individual MOSIP bank account, which funds were used to cover operating expenses of the school district.

During each of the calendar years 2000 through 2004, the Pattonsburg, Missouri R-II School District received federal funds each year in excess of \$10,000 under a Federal program involving a grant, subsidy and other forms of Federal assistance, as follows:

<u>School Year</u>	<u>Federal Funds Received</u>
2000-2001	\$155,165.93
2001-2002	\$162,306.33
2002-2003	\$115,195.48
2003-2004	\$208,306.68

Between September 2000 and October 13, 2004, at Pattonsburg and Maryville, in the Western District of Missouri, and elsewhere, defendant embezzled, stole, and otherwise without authority knowingly converted to his own use and that of others not the rightful owner, and did intentionally misapply, funds in excess of \$5,000, that is, in the approximate sum of \$844,477.52, which funds were owned by and under the care, custody, and control of MOSIP and the Pattonsburg, Missouri R-II School District, constituting funds received for the operation of the Pattonsburg, Missouri R-II School District, which receipts it was the duty of defendant to utilize for the school district.

The manner in which defendant effectuated the theft is as follows:

1. In September 2000, defendant faxed account information regarding his personal bank account at Northwest Missouri Regional Credit Union to MOSIP officials, representing that the account was a second account of the school district and directing that funds designated for the school district were to be sent to that credit union account.

2. Thereafter, from September 6, 2000, through October 7, 2004, defendant sent orders via his office computer to MOSIP instructing it to wire transfer funds into the credit union account, which unbeknownst to MOSIP was defendant's personal account. In reliance on the representations, MOSIP transferred school district funds to defendant's account.

3. In order to conceal his fraud, defendant generated false accounting entries to show the MOSIP account had the correct amount of funds; he also posted false accounting entries to show the account had earned interest in the amount of approximately \$60,000.

4. On October 13, 2004, the account of the Pattonsburg, Missouri R-II School District should have had a balance of approximately \$740,000; instead, by reason of defendant's fraud, it had a balance of \$14.

5. As a result of the scheme, defendant obtained personal benefit.

5. The United States agrees that no additional charges will be filed in the Western District of Missouri arising from the investigation leading to the charges in this case. In the event that the defendant breaches or violates this Plea Agreement or otherwise fails to adhere to its terms, the United States shall not be bound by this paragraph and may pursue any additional charges arising from the criminal activity under investigation as well as any perjury, false statement, or obstruction of justice charges which may have resulted. Defendant understands and agrees that in the event he violates this Plea Agreement, all statements made by him to law enforcement agents subsequent to the execution of this Plea Agreement, any testimony given by him before a grand jury or any tribunal or any leads from such statements or testimony shall be admissible against him in any and all criminal proceedings. Defendant waives any rights which might be asserted under the United States Constitution, any statute, Federal Rules of Criminal Procedure, Section 11(e)(6), Federal Rules of Evidence, Section 410, or any other federal rule that pertains to the admissibility of any statements made by him subsequent to this Plea Agreement.

6. Defendant acknowledges that he discussed supervised release with his attorney and that he understands the nature and the effects of supervised release. In particular, he understands

that violation of a condition of supervised release may result in revocation of supervised release and imposition of an additional term of imprisonment of not more than three years, without credit for time previously served during post-release supervision.

7. Defendant understands and agrees that the factual admissions made by defendant herein support imposition of the agreed guideline calculations set forth below, and the parties stipulate and agree that the United States Sentencing Guidelines will apply in this case.

a. The sentence in this case is governed by the provisions of U.S.S.G. § 2B1.1 (effective November 1, 2001).

b. The base offense level is 6.

c. The amount of loss, including relevant conduct, is greater than \$400,000 but not greater than \$1,000,000, resulting in an increase of 14 offense levels.

d. The parties agree that defendant abused a position of trust during the course of the offense, resulting in an increase of 2 offense levels.

e. By this plea, defendant has admitted his guilt and has accepted responsibility for his actions, and has done so in a timely fashion, allowing the United States to avoid the time and expense of preparing for trial. Consequently, the United States believes defendant is entitled to a three-level reduction pursuant to § 3E1.1 of the Sentencing Guidelines. The United

States agrees that it will file a written motion prior to or at the time of sentencing setting forth the reasons why the United States believes defendant is entitled to a three-point reduction for acceptance of responsibility.

f. Defendant reserves the right to argue for a departure under U.S.S.G. § 5K2.16 (voluntary disclosure of the offense).

g. The parties further believe that defendant is in Criminal History Category I but agree that this determination will be made by the Probation Office and this Court.

Offense level 19, Criminal History Category I, provides a sentencing range of 30 to 37 months imprisonment and falls in Zone D. A sentence in Zone D must be satisfied by a custodial sentence.

The parties make no agreement with respect to the applicability of any other section of the Sentencing Guidelines and are free to argue or otherwise advance any position not specifically addressed in this plea agreement.

8. The defendant consents to judicial fact-finding, applying a preponderance-of-the-evidence standard, of all matters pertaining to determination of defendant's sentence under the United States Sentencing Guidelines and waives any right defendant may have to a jury determination of all facts used to determine and enhance the sentence imposed.

9. Defendant agrees to pay the special assessment of \$100.00 at the time of his plea.

10. The plea of guilty shall be entered as soon as practicable.

11. The parties understand and agree that this agreement is binding only on the parties and not on the Court or the United States Probation Office.

12. Defendant understands that if the Court accepts this plea agreement but imposes a sentence which he does not like, he will not be permitted to withdraw his plea of guilty.

13. Defendant agrees not to appeal his conviction or sentence in this matter. Defendant understands and acknowledges that his sentence will be determined and imposed pursuant to the Sentencing Guidelines. Defendant is aware that a sentence imposed under the Sentencing Guidelines does not provide for parole. Defendant agrees that this Court has jurisdiction and authority to impose any sentence up to the statutory maximum established for the offense and expressly waives the right to appeal his sentence, directly or collaterally, on any ground except for an upward departure by the sentencing judge, a sentence in excess of the statutory maximum, or a sentence in violation of law apart from the Sentencing Guidelines. However, if the United States exercises its right to appeal the sentence imposed as authorized by 18 U.S.C. § 3742(b), defendant is

released from this waiver and may appeal his sentence as authorized by 18 U.S.C. § 3742(a).

14. There are no agreements between the Government and defendant regarding (a) imposition of a fine or the amount of that fine, (b) imposition of costs of a sentence of imprisonment or the amount of those costs, or (c) imposition of the costs of a term of supervised release or the amount of those costs.

15. Defendant waives all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation, any records that may be sought under the Freedom of Information Act, 5 U.S.C. § 552, or the Privacy Act of 1974, 5 U.S.C. § 552a.

16. Defendant further understands that a breach by him of any condition of this plea agreement may render this agreement null and void at the option of the United States. He further understands that should that occur, the United States may pursue any additional charges arising from the criminal activity under investigation as well as any perjury, false statement, or obstruction of justice charges which may have resulted.

17. Other than the promises by the United States set forth in this plea agreement, defendant understands that the United States otherwise reserves the right to:

a. Oppose or take issue with any factual or legal position advanced by defendant at the sentencing hearing, including any issues related to the application of the U.S. Sentencing Guidelines in this case;

b. Comment on the evidence supporting the charges in the Information;

c. Oppose any arguments and requests for relief defendant may advance on an appeal from the sentence imposed; and

d. Oppose any post-conviction relief, motion for reduction of sentence, or other relief.

18. Defendant has read this agreement, discussed it with his counsel, and understands it. By his signature, defendant states that this agreement is true and accurate and not the result of any threats, coercion, or promises made by the Government or anyone acting for the Government other than those promises contained in this written plea agreement, nor has the United States promised defendant any additional consideration to induce him to sign this Plea Agreement. Defendant acknowledges that he is entering into this Plea Agreement and is pleading guilty freely and voluntarily. Defendant further acknowledges his understanding of the nature of the offense to which he is pleading guilty and the elements of the offense or offenses, including the penalties provided by law, and his complete satisfaction with the representation and advice received from his

undersigned counsel. Defendant also understands that he has the right to plead not guilty or to persist in that plea if it has already been made, the right to be tried by a jury with the assistance of counsel, the right to confront and cross-examine the witnesses against him, the right against compulsory self-incrimination, and the right to compulsory process for the attendance of witnesses to testify in defendant's defense. Defendant understands that by pleading guilty, he waives or gives up those rights and there will be no trial. Defendant further understands that if he pleads guilty, the Court may ask him questions about the offense or offenses to which he pled guilty, and if defendant answers those questions under oath and in the presence of counsel, his answers may later be used against him in a prosecution for perjury or false statement. Defendant also understands he has pled guilty to a felony offense and, as a result, may be deprived of certain rights, such as the right to vote, hold public office, serve on a jury, and possess a firearm.

Date: <u>3/8/05</u>	<u>Todd P. Graves</u> United States Attorney <i>/s/ Linda Parker Marshall</i>
	<u>Linda Parker Marshall #24954</u> Assistant United States Attorney
Date: <u>3/8/05</u>	<u><i>/s/ Ronnie G. DeShon</i></u> Ronnie G. DeShon Defendant
Date: <u>3/8/05</u>	<u><i>/s/ Kenneth C. Hensley</i></u> Kenneth C. Hensley Counsel for Defendant